

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Angel Island-Tiburon Ferry, Inc.
(VCC-82) for a General Fare Increase Pursuant to
Public Utilities Code Section 454.

Application 14-04-020
(Filed April 11, 2014)

D E C I S I O N G R A N T I N G A P P L I C A T I O N

Summary

This decision grants the application of Angel Island-Tiburon Ferry, Inc., a corporation, to increase round-trip fares (exclusive of the State Park's entrance fee) by \$3 (\$2 for Seniors and Little Children) on its passenger vessel service between Tiburon and Angel Island.

Discussion

Angel Island-Tiburon Ferry, Inc. (Applicant), is a vessel common carrier (VCC) authorized to transport passengers and bicycles between Tiburon and Angel Island on San Francisco Bay. The service has been in operation since 1960, originally as a sole proprietorship, and since 1999 as a corporation.

Applicant was last given specific authorization to increase fares in 2007 by Decision (D.) 07-04-027. The current round-trip (base) fares are \$9 for Adults and Seniors, \$8 for Children (Age 6-12) and \$3 for Little Children (Age 3-5).¹ The application requests authority to increase the base fare for Adults and Children

¹ These fares are exclusive of any surcharge imposed under the temporary authority the Commission granted to all VCCs to adjust their fares up to 20% to offset higher fuel costs. That authority was extended by Resolution TL-19115 to December 16, 2015, unless earlier modified or canceled by the Commission.

by \$3, and for Seniors and Little Children by \$2. The following table shows the currently authorized and proposed fares:

Category of Fare	Current Base Fare	Proposed Base Fare
Adults (Age 13-64)	\$9.00	\$12.00
Seniors (Age 65 and up)	\$9.00	\$11.00
Children (Age 6-12)	\$8.00	\$11.00
Little Children (Age 3-5)	\$3.00	\$5.00
Bicycles	\$1.00	\$1.00

Upon authorization of the Proposed Base Fares indicated above, Applicant plans to reduce its fuel surcharges to zero, in order to retain the potential for increasing fares and revenue in the event that future fuel costs are high.

Applicant indicates that the increases are necessary to stem the significant losses it has incurred in recent years and to earn a reasonable rate of return on its investment in the vessel service. Applicant experienced net revenue loss in the years 2008, 2009, 2010 and 2012. Applicant has prepared a Chart (Appendix D) that compares actual revenues and expenses of the ferry service for the year ending 2012 with projected revenues and expenses over a theoretical year at the proposed new fares. Applicant estimates projected profit for the theoretical year of \$60,738, which represents an Operating Ratio of 93.2 which would reverse the negative cash flow that resulted for the year ending December 31, 2012.

Applicant states that this level of profit will offer the opportunity for a minimally adequate rate of return on Applicant's investment in the ferry passenger service.

Applicant states that the service will be in serious jeopardy if the requested increases are not granted. The requested rate increases are comparable to the increments of fare increase that the Commission approved for Applicant in 2007.

We find that Applicant's request is justified. The application will be granted effective immediately.

Notice of filing of the application appeared in the Commission's Daily Calendar on April 18, 2014. Applicant served a copy of the application on the City of Tiburon, Marin County, and Angel Island State Park.

In Resolution ALJ 176-3335 dated May 1, 2014, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3335.

A California Environmental Quality Act review is not required because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment because granting the fare increase does not change the service.

Safety Considerations

In order to be authorized to commence operations as a VCC, the Applicant must comply with the following requirement in order to protect public safety: Proof of insurance per General Order Series 111.

Assignment of Proceeding

Denise Y. Tyrrell is the assigned Examiner in this proceeding.

Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

Findings of Fact

1. Applicant is authorized to operate as a VCC to transport passengers and bicycles between Tiburon and Angel Island.
2. Applicant's current fares were established in 2007 as authorized by D.07-04-027.
3. The application requests authority under Pub. Util. Code §§ 454 and 491 to increase round-trip fares from \$9 to \$11 for Adults, from \$9 to \$11 for Seniors, from \$8 to \$11 for Children ages 6 to 12, and from \$3 to \$5 for Little Children ages 3 to 5.
4. Applicant has experienced increased costs of operations since its last fare increase in 2007.
5. Applicant experience losses in the years 2008, 2009, 2010, and 2012.
6. No protest to the application has been filed.
7. A public hearing is not necessary.

Conclusions of Law

1. The proposed increased fares are reasonable.
2. The application should be granted.
3. A California Environmental Quality Act review is not required for this decision because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment because granting the fare increase does not change the service
4. Because the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Angel Island-Tiburon Ferry, Inc., a corporation, is authorized to establish the increased fares proposed in the application.
2. To implement the increases authorized in this order, Angel Island-Tiburon Ferry, Inc. shall, on or after the effective date of this order, file revised tariff pages in accordance with General Order 117-Series. The revised pages and the fares listed in them shall be made effective no earlier than 10 days after the date of filing.
3. Angel Island-Tiburon Ferry, Inc. shall inform the public of the increased fares and their effective date by posting notice in its terminals and vessels. Such notice shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.
4. This authority shall expire unless exercised within 90 days after the effective date of this order.
5. The Application is granted as set forth above.
6. Application 14-04-020 is closed.

This order is effective today.

Dated _____, at San Francisco, California.